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LDP Wins House of Councillors Elections

Prime Minister Nakasone won a ringing endorsement from Japanese voters in the House of Councillors election. The ruling Liberal Democratic Party (LDP) increased its majority by winning 68 of the 126 seats in the House of Councillors that were up for election — giving it a total of 137 seats out of 252 (see accompanying chart). The Japan Socialist Party (JSP), the second largest party, lost in key urban districts.

While the Upper House has less political clout than the House of Representatives (511 seats), in the past it has served as an indicator for the lower house elections. The turnout was a sluggish 57 percent, despite a voting reform initiating proportional representation (see JEI Report No. 24B, June 24, 1983). A number of national polls suggested that many voters were not prepared to support a specific party.

The elections were a blow to the opposition parties, which had hoped to focus on discontent with the prime minister's foreign and defense policies. In the LDP, former Prime Minister Tanaka attempted to consolidate his power by maneuvering party endorsements for his faction's candidates. While most of them were elected, a few suffered unexpected losses — an indication that Mr. Tanaka's grip might be weakening. Susumu Nikaido, LDP Secretary General, said that the elections were a show of support for Mr. Nakasone. His victory, and Prime Minister Thatcher's landslide, political observers noted, confirm the unity of the western alliance.

Fumiko Mori

Party	Number of Seats Won			Upper House Strength
	Local	Proportional	Total	
LDP	49	19	68	137
JSP	13	9	22	44
Komeito	6	8	14	27
JCP	2	5	7	14
DSP	3	4	6	13
NLC	2	1	2	4
NIIN	1	1	1	3
Welfare	--	1	1	1
Salarymen	--	2	2	2
Citizens	--	0	0	2
Independents	0	--	0	2
<u>Total</u>	76	50	126	252*

*Three seats are vacant.

Source: Nihon Keizai Shimbun, June 28, 1983

House Panel Meets on Reciprocity Legislation

Congressional concern with sagging U.S. exports and a growing realization of the importance of trade has focused more attention on the direction of U.S. trade policy. Even though trade legislation comes under the purview of the Ways and Means Committee, the House Banking Committee has initiated a series of hearings to consider U.S. global competitiveness. Similarly, the House Energy and Commerce Committee has wrested primary jurisdiction for the controversial domestic-content legislation away from Ways and Means. And last week, the Subcommittee on Commerce, Transportation and Tourism held a hearing to consider measures that would expand and clarify the president's authority to retaliate against foreign unfair trading practices. Although the Senate has already passed such legislation (S. 144, the Danforth reciprocity bill), it is significant that another committee has again stolen the lead on a matter which would ordinarily come under the jurisdiction of the Ways and Means Committee.

The lead witness, Commerce Undersecretary Lionel Olmer, used this opportunity to underscore the administration's support for S. 144 and the House companion, H.R. 1571, introduced by Rep. James R. Jones (D, Okla.) These bills reflect a positive approach to the problem of attaining equitable market opportunities, he told the panel. H.R. 1571, by providing negotiating objectives as well as necessary authority to pursue trade liberalization in the areas of services, high-technology trade, and foreign investment, would bolster our position. Similarly, he said, clarifying Section 301 of the Trade Act

Japan's Real Gross National Product at Constant Prices (1975 Prices)

(in billions of yen, seasonally adjusted, quarterly totals and rates of growth at annual rates)

	<u>FY 1981</u>	<u>FY 1982</u>	<u>April-June 1982</u>	<u>July- September 1982</u>	<u>October- December 1982</u>	<u>January- March 1983(p)</u>
Gross National Product	¥198,068.2 (3.3%)	¥204,567.1 (3.3%)	¥202,624.0 (8.0%)	¥204,511.6 (3.8%)	¥205,333.9 (1.6%)	¥205,668.2 (0.6%)
Personal Consumption Spending	103,090.5 (1.1%)	107,915.8 (4.7%)	106,674.8 (9.4%)	107,118.8 (1.7%)	108,613.6 (5.7%)	109,169.0 (2.1%)
Private Residential Construction	10,653.2 (-2.0%)	10,829.4 (1.7%)	10,451.8 (3.5%)	10,514.1 (2.4%)	11,324.7 (34.0%)	11,195.8 (-4.5%)
Private Fixed Nonresidential Investment	34,130.3 (4.4%)	34,534.8 (1.2%)	34,504.3 (2.2%)	34,725.1 (2.6%)	34,611.1 (-1.3%)	34,278.8 (-3.8%)
Change in Business Inventories	1,416.7 (-23.1%)	944.8 (-33.3%)	1,447.6 (*)	1,143.6 (*)	1,034.0 (*)	153.3 (*)
Government Current Expenditures	18,839.4 (3.9%)	19,618.5 (4.1%)	19,362.1 (6.3%)	19,509.1 (3.1%)	19,595.3 (1.8%)	20,001.2 (8.5%)
Government Fixed Investment	18,581.9 (2.9%)	18,889.7 (1.7%)	18,758.2 (20.2%)	19,793.6 (24.0%)	18,917.7 (-16.6%)	17,922.2 (-19.4%)
Change in Government Inventories	-272.3 (15.0%)	-313.8 (15.2%)	11.9 (*)	-264.7 (*)	-865.5 (*)	-145.9 (*)
Net External Sector	11,628.5 (38.6%)	12,147.9 (4.5%)	11,413.3 (2.9%)	11,972.0 (21.1%)	12,103.0 (4.4%)	13,093.8 (37.0%)
Exports of Goods and Services and Factor Income Received	40,001.2 (15.3%)	40,210.3 (0.5%)	40,119.9 (-2.4%)	41,146.2 (10.6%)	39,757.5 (-12.8%)	39,884.7 (1.3%)
Imports of Goods and Services and Factor Income Paid	28,372.7 (7.8%)	28,062.4 (-1.1%)	28,706.6 (-4.4%)	29,174.2 (6.7%)	27,654.5 (-19.3%)	26,790.9 (-11.9%)

*Cannot be calculated or meaningless.

Source: Economic Planning Agency